



Pictures: O'Brien, E. (2005); Anseeuw, W. (2005)

# **Evaluating land reform's contribution to South Africa's pro-poor growth pattern**

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South Africa's economic miracle – has the emperor lost his cloths?





*“Reconciliation means that those who have been on the underside of history must see that there is a qualitative difference [...]. I mean, what is the point of having made this transition if the quality of life of these people is not enhanced and improved? If not the vote is useless.”*  
(Tutu, 1999)



# 1. Land Reform in South Africa:

## Addressing the past – confronting the present

3 LR programmes:

- Land Tenure Reform: aiming at (re-)defining and institutionalising all existing land tenures
- Land Restitution: people/communities dispossessed after 1913 to reclaim their land
- Land Redistribution: people can be allocated subsidies to buy land at market price
  - SLAG: R16 000/HH
  - LRAD: R20 000 to R100 000(proportional to own contribution going from labour till financial contribution of R400 000)

⇒ Project: Land restitution and Land Redistribution



## 2. How to address Land Reform?

### **Objective:**

Evaluating impact of LR on development

- Multi-level (national, local, HH)
- Multi-criteria (economic, social, political)

### **Quantitative measures (general/farm level):**

- Number of hectares/Number of beneficiaries
- Economic impact of LR (revenue)

### **Qualitative measures/aspects (farm/HH/community level)**

- Quality of life
- Social impact of LR

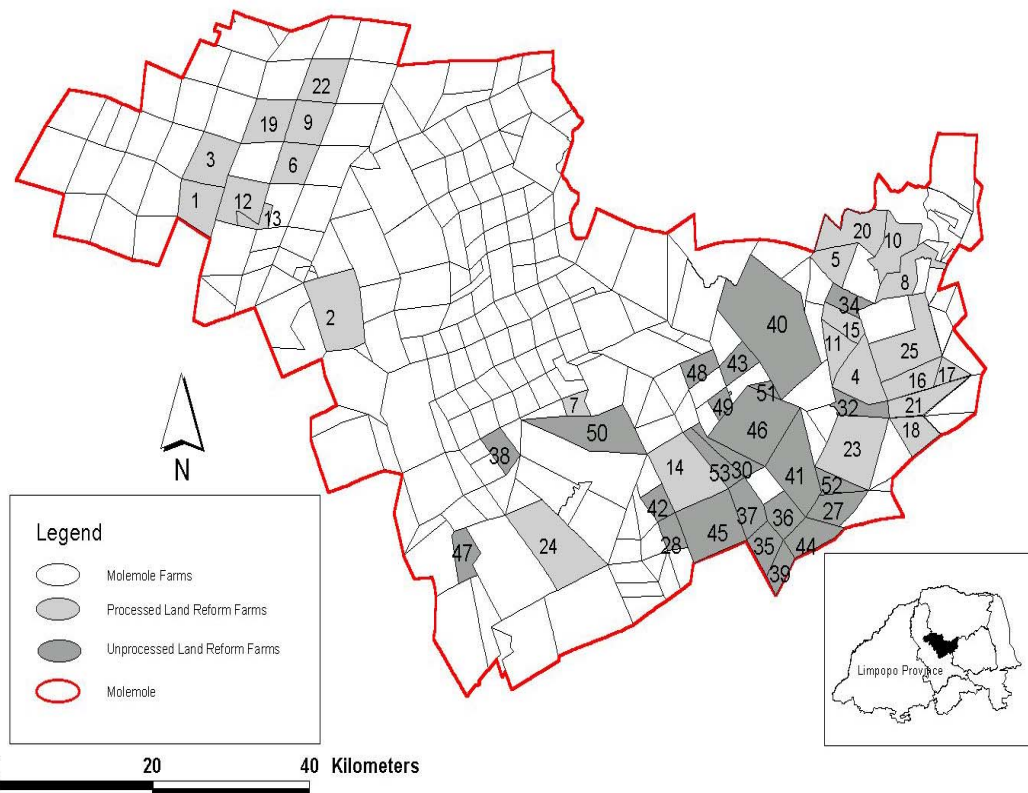
⇒ Professional/Socio-economic trajectories of beneficiaries  
(farm – beneficiary – community assessment)



### 3. Mole-mole's LR projects

#### 39 LR projects assessed:

- \* 5 restitution projects, 16901 ha and officially 3791 HH beneficiaries
- \* 16 SLAG projects, 8747 ha and officially 1183 HH beneficiaries
- \* 18 LRAD projects, 4027 hectares and 178 HH beneficiaries



#### 2 communities assessed:

- Makgato
- Sekgopo

## 4. A first description

**Table : Synthesis of the characteristics of Mole-mole's land reform projects (restitution, SLAG and LRAD)**

	Restitution	SLAG	LRAD
Number of projects	5	16	18
Average area per project (Ha)	3390	540	173
Average area/HH (ha/HH)	4.9	7.9	26
Average price per project (Rands)	1 325 490	774 857	674 750
Average price per ha (Rands)	391	2588	5598
Average number of HH per project (effectives)	695	68	7
Average number of benef per project (effectives)	4156	338	12
% Male/Female	-	64/36	74/26
% Youth	-	6	4
Origin of beneficiaries	* Far * Scattered places * 1 community	* Less far * 1 geographical area * Part community	* Less far/far * 1 geographical area * Limited group
Acquisition procedure	Claim (previously displaced)	Seller driven	Seller/Buyer driven
Time to process applications (years)	7.8	2.9	2.3
Financial implications for beneficiaries	None	SLAG grants (# hh according to price)	LRAD grants (% of own contribution) + loan
Type of acquired farm	Several farms	Entire or part of farm	Entire or part of farm
Legal/ institutional structure	* CPA * Elected constitution * Traditional tribal hierarchy * Not always title deed	* Trust * Elected constitution * Community elected management committee: * Title deed	* CC <sup>2</sup> * No constitution * No hierarchy – no management committee * Title deed

## 5. A first evaluation

### The negative trajectories of the LR projects

**Table III.3.: Gross farm income per type of land reform farms**

Land reform type	Agricultural income (Rands)	Other income (Rands)	Total income (Rands)
<b>Restitution</b>			
Average	0	139600	139600
St.dev.	0	279823	279823
Max	0	638000	638000
Min	0	0	0
<b>SLAG</b>			
Average	22139	8531	30670
St.dev.	39435	12272	44548
Max	141542	13080	143453
Min	0	0	0
<b>LRAD</b>			
Average	14444	0	14444
St.dev.	50361	0	50361
Max	214000	0	214000
Min	0	0	0
<b>Total</b>			
Average	15749	21397	37147
St.dev.	42416	102111	108642
Max	214000	638000	638000
Min	0	0	0

\*  $R37147/121 =$   
R307 HH/y

\* 10.5% of the gross  
income reference

\* Differences in  
income structures

\* Differences per  
type of project

## 5. A first evaluation

**Table III.4.: Mole-mole farms per income group**

Gross farm income group	R0 (1 <sup>st</sup> income group)	R1-R100 000 (2 <sup>nd</sup> income group)	100 000 < (3 <sup>rd</sup> income group)
Number of projects			
Total	20 (51.2%)	15 (38.5%)	4 (10.3%)
Restitution	3	1	1
SLAG	2	12	2
LRAD	15	2	1
Agricultural income (Rands)			
Average	0	11018	112236
St.dev.	0	10907	89752
Max	0	26160	214000
Min	0	0	0
Other income (Rands)			
Average	0	9763.333	172012
St.dev.	0	14853.6	311553
Max	0	60000	638000
Min	0	0	0
Total income (Rands)			
Average	0	20781.33	284249
St.dev.	0	13102.82	238232
Max	0	60000	638000
Min	0	5800	141542

\* Out of 39, 20 project have no income: 2 rest, 2 SLAG, 16 LRAD (all collapsed, except 13 LRAD never started)

\* 15 projects generate some income, mixed income structures, negative spiral

\* 4 are maintaining, mixed income struct (not leasing only)



## 6. The impact of Land Reform

**Table III.6.: The gross farm income per household for the different identified income groups**

Gross income per HH	Gross income group			Gross income reference
	R0	R1-R100 000	R100 000 <	
Average (Rands)	0	1359	19682	242600
St. dev.	0	1881	14551	145783
Max. (Rands)	0	6500	71333	542000
Min (Rands)	0	42	1494	90000

- Even in upper income group, it remains marginal (especially since only 4 projects)

## 6. The impact of Land Reform

Table III.8.: Beneficiary HH of land reform in Mole-mole per type			
	Official beneficiaries of land reform projects	Beneficiaries effectively engaging in land reform projects	Beneficiaries presently benefiting from land reform projects
Restitution			
Total effectives	3477	1633	15
Average per project	108	422	3
% of official benef.	100.0%	46.9%	0.4%
SLAG			
Total effectives	1094	357	122
Average per project	68	24	8
% of official benef	100.0%	32.6%	11.2%
LRAD			
Total effectives	120	120	27
Average per project	7	7	2
% of official benef	100%	100%	22.5%

Not 4691 HH, but 164  
beneficiary HH!  
=3.5%



## 5. The impact of Land Reform

No, if not negative, impact on quality of life

96.5% of beneficiaries are not engaged

Those who remain engaged where mainly the farm workers, pensioners,  
or investors

(only 43% of the 164 beneficiaries are benefiting)

On contrary,

\*70% of the farm workers lost their jobs

\*Farm workers: loss of income – working conditions decreased –social  
isolation

\*Gross income (LR project/municipal level) decreased by 89.5%



## **6. Reasons for failures to link land reform to development**

### **Reason 1: The unfeasibility of land reform projects**

- The difficult economic conditions of farming (IRR is negative)
  - The economic unfeasibility of land reform projects
    - Unsuitable types of land acquired
      - Parts of farm, no basic infrastructure, no water
      - Unwillingness of people to settle (to far, to isolated)



## **6. Reasons for failures to link land reform to development**

### **Reason 2: Not adapted institutional structures at project level**

- Power structures, mismanagement and misuse  
(internal and external conflicts)

- Not adapted institutional and legal entities  
Problem of access to services, mainly financial  
Problem of process of decision-making





## **6. Reasons for failures to link land reform to development**

### **Reason 3: Lack of collective action and institutional isolation**

Positive correlation between farm income/production and institutional links

(Public, private and associative institutions)

However, very few institutional links

Little effort is made either by the projects themselves or by the coordinating institutions



## **6. Reasons for failures to link land reform to development**

### **Reason 4: Administrative heaviness and lack of transparency**

- Average time lapse for claim to be settled: 7.8 years
- Activities are implemented without consultations or agreement
- Illegitimate practices



## **6. Reasons for failures to link land reform to development**

### **Reason 5: Insufficient, uncoordinated and not adapted (technical) support services**

- Decrease of number of technical staff, considering the number of people to serve

- High turnover of staff (incapacity)

- Unadapted (technical) services

Different tasks (project management, community management, community psychology, alternative dispute resolution, etc.)  
to serve a 'new type of farmer'



## 7. Conclusions – the need for an alternative development model around land reform?

Negative impact of LR in SA – not new, but quantified!  
Solutions to overcome these failures are thus essential

Recommendations linked to the different issues highlighted

- Bases for pre and post-settlement support (SIS)
- Link land to agrarian reform (LARP)

But is this enough?

The need for new development models linked to LR?

Besides other, options are:

- Former homeland-center development
- Rural and non-agricultural activity development

Rethink the role of the different actors (State, private sector, ...) and SA development trajectory/paradigm



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